

State of Louisiana

Recommended Budget After House Actions

Fiscal Year 2008-2009

Senate Finance Committee
May 19, 2008



Bobby Jindal
Governor

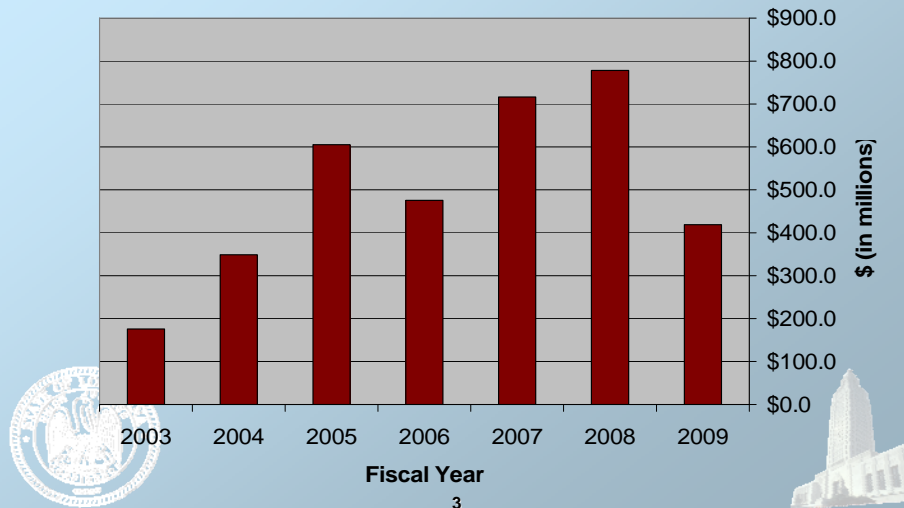


REFORMS: Fiscal Reform and Government Accountability

- Reduced reliance on one-time revenues for recurring expenditures
- Matched one-time revenues with one-time expenditures
- Made lasting reductions in number of state positions
- Limited the number of new and expanded programs
- Advanced transparency in government
- Exposed a number of long-term liabilities and began planning to address them
- Initiated performance audits across state government
- Eliminated and consolidated offices
- Made strategic investments in workforce, education, economic development, health care, public safety, technology, and ethics enforcement



History of One-Time Revenue for Recurring Expenditures



Uses of FY 2007-2008 Excess

Utilized in Fiscal Year 2008-2009

- The \$420.1 million for FY 2008-2009 recurring expenditures in DHH is eliminated.
- \$187.4 million for FY 2008-2009 one-time expenditures, such as technology enhancements, one extra Medicaid payment, student scholarships, endowed chairs, and acquisitions
- \$307.1 million for deposit into the Economic Development Mega-Fund

Utilized in Fiscal Year 2007-2008

- A net of \$18.7 million in current year supplemental needs, such as the Local Housing for Adults and Juveniles, DSS' shortage because of the Federal Deficit Reduction Act, the state's contractual obligation to the Saints and Hornets, and increased match and utilities for the Youth Challenge Program.

FY 07-08 Budgeted vs. FY 08-09 Recommended

(In \$ Millions, Inclusive of Contingencies and Exclusive of Double Counts)

	Budgeted FY 07-08 As of 12/01/2007	Recommended FY 08-09	Recommended Over/(Under) Budgeted	% Change
General Fund Direct	\$ 8,680.2	\$ 9,585.6	\$ 905.4	10.43%
General Fund By:				
Fees & Self Generated	\$ 1,412.4	\$ 1,442.8	\$ 30.4	2.15%
Statutory Dedications	\$ 4,465.4	\$ 3,997.3	(\$ 468.1)	(10.48%)
Interim Emergency Board	\$ 1.5	\$ 0	(\$ 1.5)	(100.00%)
TOTAL STATE FUNDS	\$ 14,559.5	\$ 15,025.7	\$ 466.2	3.20%
FEDERAL FUNDS	\$ 19,767.3	\$ 14,933.2	(\$ 4,834.1)	(24.46%)
GRAND TOTAL	\$ 34,326.8	\$ 29,958.9	(\$ 4,367.9)	(12.72%)
Total Positions	46,936	45,679	(1,257)	(2.68%)
Higher Education (1)	0	259	259	0%
Positions	46,936	45,938	(998)	(2.13%)

(1) Reestablish Higher Education positions for Board of Regents and four management boards to authorized position (T.O.) count

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Strategic Investments for FY 2008-2009

- Workforce Development
- Education K-12
- Higher Education
- Economic Development
- Health Care
- Emergency Preparedness and Public Safety
- Transparency and Technology
- Ethics Enforcement

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Workforce Development

- \$10 million new funding for workforce training and increasing capacity for high-demand fields such as construction and allied health
- \$4.5 million new funding for Career Technical Education
- \$3 million new funding for Quickstart Training Program
- \$47.6 million continued funding for the Incumbent Worker Training Program



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Education K-12

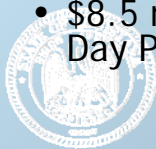
- \$70.1 million for Teacher Pay Raise to maintain Southern Regional Educational Board Average
- \$20.0 million new funding for Teacher Flexible Pay
- \$14.0 million new funding for Ensuring LA Literacy and Numeracy for All in an effort to target every fourth grader to master literacy and numeracy in school
- \$4.5 million new funding for Alternative School/Options
- \$10.0 million new funding for School Scholarship Program
- \$2.5 million additional funding for Expansion of Pre-K Program for a total of \$84.5 million
- \$80 million for 2.75% normal MFP growth for a total of \$3.3 billion dollars in funding



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Education K-12

- \$500,000 additional funding for Teach for America for a total of \$968,000
- \$1.0 million additional funding for Jobs for America's Graduates LA for a total of \$1.9 million
- \$1.0 million additional funding for Virtual Schools for a total of \$1.9 million
- \$2.5 million new funding for LA Leadership Excellence Program
- \$8.5 million Recovery School District Extended Day Program



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Higher Education

- \$34.7 million additional funding to fully fund the Higher Education Formula at \$1.3 billion
- \$15 million new funding for a performance-based incentive funding pool
- \$8 million one-time funding for Endowed Chairs and Professorships for a total investment of \$13.88 million
- \$3 million new funding for research at the Pennington Biomedical Research Center for a total investment of \$20.2 million



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Higher Education

- Fully funded TOPS awards at \$122.3 million
- An additional \$9.2 million to fully fund the Go Grants (need-based financial aid) at \$24.2 million
- \$4 million in recurring funding for Dual Enrollment, replacing one-time funding provided in FY 2007-2008



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Economic Development

- \$7.9 million more for Rapid Response Fund for securing economic development opportunities for a total investment of \$17.9 million
- \$2.5 million new funding for Economic Competitiveness Benchmarking, Planning, and Research initiative
- \$2 million new funding for Project Specific Site Preparation and Evaluation
- \$400,000 new funding for a Business Retention/Expansion Team
- \$5.6 million continuing funds for Economic Development Regional Awards and Matching Grants program
- \$300,000 new funding for Marketing Fund for advertising, promotion, and marketing for a total investment of \$5.8 million



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Health Care

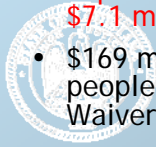
- \$29M additional funding to continue Louisiana's Plan for Mental Health Care - \$13.8 million pilot Mental Health Improvement Plan for New Orleans and \$15M to annualize 100 in-patient beds and 5 MHEREs statewide
- \$2.5 million new funding for Disease Management to strengthen disease management strategies for chronic illness
- \$3.1 million new funding for Pay for Performance to introduce accountability and structure into system
- \$10.2 million more for LaCHIP to expand eligibility up to 250% FPL for a total investment of \$145.7 million



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Health Care

- Strengthening Providers:
 - Nursing Homes (\$60 million additional funding for \$767 million total)
 - Private Hospitals (\$120 million Community Hospital Pool - \$87 million UCC and \$33 million Private Providers)
 - Federally Qualified Health Centers and Rural Health Clinics (\$1.9 million additional funding for \$69.2 million total)
- (House cut \$183 million in Medicaid Provider Program, \$52 million in state funds)
- Electronic Medical Records - La Rural Hospital Exchange phase II (\$11.1 million) and La Health Information Exchange phase I (\$7.5 million)
- \$1 million more funding for Nurse Family Partnership to expand coverage statewide for a total investment of \$7.1 million
- \$169 million more funding for Community Based Services for people with disabilities to create 2,025 New Opportunities Waiver slots for a total investment of \$335.3 million



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Emergency Preparedness and Public Safety

- \$22.8 million more funding for interoperability system for a total investment of \$34.3 million
- \$6.5 million more funding to fund new 50-member Manpower Cadet Class for a total investment of \$12.5 million
- \$1.5 million new funding for State match to receive \$4.5 million of federal funds via the Community Oriented Policing Services (COPS) Technology grant
- \$4.9 million new funding for Information Technology Enhancements
- \$1.8 million new one-time funding for State Police Crime Lab



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Transparency and Technology

- \$2.0 million additional funding for Dept. of Revenue for the expansion of electronic services
- \$597,000 new funding for Secretary of State to modernize Commercial Division operations
- \$1.0 million new funding for Division of Administration to create accountability portal, including online state spending database
- \$500,000 new funding for DHH to fund a Uniform Provider Reporting System — "Consumers' Right to Know"



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Ethics Enforcement

- \$1.6 million new funding for the Ethics Commission for implementation of ethics reforms
- \$384,000 for the Division of Administrative Law to administer hearings from the LA Board of Ethics



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Liabilities and Horizon Issues

- \$10 billion for the Unfunded Accrued Liability
- \$10-\$12 billion for Other Post Employment Benefits (OPEB) — Retirees' Group Insurance Benefits
- \$1.2 billion for the Office of Risk Management
- Broad U.S. market issues created increased debt service for Louisiana Stadium and Exposition District
- \$847 million in Conservation/Restoration projects
- \$15.8 billion in Capital Outlay projects for transportation infrastructure and Higher Ed deferred maintenance
- \$4.7 billion in outstanding General Obligation Debt



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PROGRESS: Fiscal Reform and Government Accountability

Reducing reliance on one-time revenues

Eliminating positions and controlling government growth

Targeting strategic investments to critical needs

Serving as a good steward of taxpayer dollars, providing return on investment and achieving measurable results



Promoting Transparency which leads to Accountability which leads to Performance which leads to Responsible Spending

